

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Wednesday, January 26, 2005, 2:00 p.m.
Room W125, West Office Building, State Capitol Complex

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair
Rep. Merlynn T. Newbold, Committee Co-Chair
Sen. Allen M. Christensen
Sen. Gene Davis
Rep. Bradley G. Last
Rep. David Litvack
Rep. Steven R. Mascaro
Rep. Roz McGee
Rep. Paul Ray
Rep. Aaron Tilton

Members Absent: Sen. Chris Buttars

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: Ronald Stromberg, Interim Director, Department of Human Services
Richard Anderson, Director, Division of Child and Family Services
George Kelner, Acting Director, Division of Services for People with Disabilities

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Newbold at 2:03 p.m.

Co-Chair Newbold welcomed those in attendance and reminded them that at the end of today's meeting a sign up sheet would be available for public testimony at our next meeting.

1. Department of Human Services - Division of Child and Family Services

Ronald Stromberg, Interim Director, Department of Human Services, thanked the committee and introduced Richard Anderson, Director of the Division of Child and Family Services. Mr. Anderson stated that he appreciated the opportunity to report the work of the Division during the past year and to address budget proposals for building blocks. He indicated he wanted to lay a foundation of why the proposed building blocks are needed. He stated the Division has an obligation to Legislators, the Division front line workers, to families, parents and children who need these services. He stated the Division's mission is to protect children and help parents succeed. He said many positive things are happening in the Division but they are not the things that get published.

Mr. Anderson stated the Division is still under the demands of the federal court oversight with the hope of meeting in 18 months before a judge to show that the division has done all they can do and hopefully this will end. The Division is also reviewed by the new Child and Family Services Review started by the federal government two years ago with many more detailed requirements to be met. He said that outside entities and states often call for information and come to the state regularly to look at our system because of the positive things being done. He said it is difficult to get these positive changes out to the public. He quoted from a letter received from the Tennessee DCFS stating that Utah is at the heart of any practice model that is focused on child safety and family stability.

Mr. Anderson gave a power point presentation entitled "Progress in Safety, Permanency and Well-Being for Families and Children." The power point included graphs and pie charts outlining various aspects of the Division. He stated the Division had 21,000 referrals in FY2004. He explained the various types of services the Division oversees. These include home-based services, foster care, kinship care, adoption and independent living. He indicated that Utah has the lowest percentage of children in out-of-home care, the reason being that the Division is very successful in getting them into a permanent home. He stated that when a child cannot remain safely with family, the first option considered is placement with relatives. If this is not possible, then foster care becomes necessary. If there is reason to believe that the child may not be able to return to the legal custodian, adoption is considered. The Division also gives help to those who are 16 years or older to promote self sufficiency and responsibility for independent living. He discussed the Monitoring Systems, the Indian Child Welfare Act, caseloads and training for caseworkers. More detailed information is available in the annual report which was distributed to committee members.

He discussed the budget breakdown including the requested building blocks for the Adoption Subsidy, Out-of- Home Care Growth and for additional caseworkers. He also discussed the need to make domestic violence services available in two parts of the state that do not have it now, and the cost of court monitoring. He indicated that the challenges before the Division are the David C. Settlement, which hopefully will be settled in federal court in 2006; employee moral, salary and recognition; and more positive public awareness of the mission and successes of the Division.

Analyst Thor Nilsen distributed an index list of the Issues Briefs to be inserted under Tab 3 of the Budget Analysis binders. He discussed the Budget Brief for the Division of Child and Family Services found under Tab 22. He indicated the Analyst is recommending an increase of nearly \$4.1 million to cover caseload growth, out-of-home care and adoption assistance. He said the Division estimates a need for 36 additional caseworkers in FY 2006 and the Analyst has recommended funding for only 10. He indicated if the funding was lumped together, this would give the Division some flexibility to reallocate some of the funding. He said the recommended funding for the David C. Settlement court litigation costs is unavoidable. It is a one-time fund, with optimistic hope that it will actually be a one-time cost. He said the FMAP rate impact on the DCFS will be \$400,000. He discussed the transfer of funds to the Department of Workforce Services which does not include any new money but will need approval from both committees.

The Analyst discussed the two pieces of intent language for FY2006 found on page iii. The first one making funds non lapsing has been approved by Legislative Research but the second has some problems and may not be approved as written. Mr. Anderson and the Analyst answered questions from the committee regarding flexibility of funds, FTEs, caseload, recruitment, retention and salary of case workers and the importance of meeting the requirements of the Legislative Audit.

2. Department of Human Services - Division of Services for People with Disabilities

George Kelner, Acting Director, Division of Services for People with Disabilities, thanked the committee for the opportunity to talk about some of the accomplishments and challenges of the Division. On behalf of the Division, he offered appreciation to this committee and all legislators for the challenging and difficult work they face every day. He stated this committee in particular hears many critical human needs and what is being done to address those needs. He distributed and discussed a printed report. He indicated some of the accomplishments for FY2004 were that the Division was able to provide services to 154 people from the waiting list through legislative allocation and cost savings; provided additional service needs to 190 people on the Medicaid Waiver; reduced error rates and has continued to successfully maximize federal dollars. Charts included in the report showed a history of expenditures and funding sources and where people were served in various programs.

Mr. Kelner discussed challenges facing the Division. He said because of the FMAP changes, the Division will need \$1.35 million additional state dollars just to maintain current services. He said 176 new people were added to the waiting list, bringing the total to 1,893 as of October 2004. He stated the ever increasing prescription drug costs will require additional funding for the Utah State Developmental Center. This center also struggles with providing and

maintaining an adequate nursing staff. Many private contractors who deliver most of the services funded by the Division continue to struggle and the Division strongly supports a cost of living adjustment. He indicated that the Division is recommending that \$100,000 from the interest of the Trust Fund for People with Disabilities be appropriated for Division use.

Analyst Thor Nilsen discussed the Budget Brief for the Division under Tab 20. He indicated that people with disabilities can receive services in their homes, in state run ICFs/MR, in privately run ICFs/MR, through the Medicaid Waiver or from funds directly funded through the Division. The Division is the gatekeeper for all of those areas of service. The Analyst has recommended \$1million in general fund money for the waiting list, \$22,700 for increased costs for medication at the Developmental Center and the required \$1,354,500 needed because of the FMAP changes. He also recommends an appropriation of \$100,000 from the People with Disabilities Trust Fund for approval. Other items addressed in the brief are nurses' salaries and providers' cost of living adjustments. The Analysts noted, as shown on the table on page ii, that during the long term, expenditures had been rising significantly faster than number of people being served, but in the last four years this trend has reversed. This is a welcome change from earlier years. He stated that Legislative Research has not fully approved the intent language on page iii.

MOTION: Rep. Mascaro moved to approve the minutes of 1-24-05. The motion passed unanimously.

Co-Chair Newbold reminded those wishing to testify on Thursday to sign on the sign-up sheet.

MOTION: Rep. Tilton moved to adjourn. The motion passed unanimously with Sen. Davis absent at the time of the vote.

Co-Chair Newbold adjourned the meeting at 4:17 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Merlynn T. Newbold
Committee Co-Chair